



June 14, 2024

VIA E-FILING

The Honorable Pamela K. Chen  
District Court Judge  
United States District Court  
Eastern District of New York  
225 Cadman Plaza East, Chambers N 631  
Brooklyn, NY 11201

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Re: Securities and Exchange Commission v. Richard Xia, a/k/a Yi Xia, et al.  
21-cv-05350-PKC-LCP

Dear Judge Chen:

I write respectfully as the Court-Appointed Monitor (the “Monitor”) on a matter of some urgency. Earlier this week, I filed a Motion for the Release of Funds necessary to maintain the same insurance coverage that has been in place at Eastern Mirage and Eastern Emerald (the “Projects”) since my monitorship began.<sup>1</sup> This request, both in the scope of coverage and cost to the investors, is similar to our requests in prior years, and while the SEC has consented to our pending Motion, Mr. Xia, for the first time, has refused.

As detailed in our Motion, Mr. Xia’s failure (i) to meaningfully engage with us in a timely and professional manner (despite repeated attempts by email and phone calls to reach him and his counsel to confer on this matter); and (ii) to put forward specific alternative policies that we could assess in a timely fashion delayed the filing of the Motion and created an unnecessary and avoidable risk that the Projects could be uninsured as early as Friday of next week.

My team and I worked diligently to avoid this situation, and I write reluctantly and only after exhausting all other available options. Our request to Mr. Xia has been simple and straightforward: based on the status of the Projects, we should maintain the current levels of coverage. In the event there are material changes that allow for construction to begin, we will work quickly and cooperatively with him to assess and recommend appropriate additional coverage.

Given Mr. Xia’s unwillingness to consent and acting in the hope of avoiding any lapse of insurance coverage, I respectfully request the Court to substantively consider our pending Motion as expeditiously as possible. As always, my team and I are ready to answer any questions or to assist the Court however we can.

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<sup>1</sup> See ECF Nos. 436-438.



The Honorable Pamela K. Chen  
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Respectfully,

M. Scott Peeler

cc: All counsel by email